

THE BOARD'S REMUNERATION REPORT FOR 2020

INTRODUCTION

This remuneration report describes how the guidelines for executive remuneration of Kinnevik AB, adopted by the Annual General Meeting 2020, were implemented during 2020. The report also provides information on remuneration paid to Kinnevik's CEO and Board members (in addition to ordinary Board remuneration), as well as a summary description of Kinnevik's outstanding share incentive plans. The report has been prepared in accordance with the Swedish Companies Act and the Rules on Remuneration of the Board and Executive management and on Incentive Programmes issued by the Swedish Corporate Governance Board.

KEY DEVELOPMENTS 2020

The CEO summarizes Kinnevik's overall performance in his statement on pages 2-3 in the 2020 Annual Report, which can be found on www.kinnevik.com under the heading "Reports and presentations" (which can be found under the section "Investors").

OVERVIEW OF THE APPLICATION OF THE REMUNERATION GUIDELINES DURING 2020

A prerequisite for the successful implementation of Kinnevik's business strategy and safeguarding of its long-term interests, including its sustainability, is that Kinnevik is able to attract, motivate and retain the best talent in Sweden and globally. To achieve this, it is necessary that Kinnevik offers competitive remuneration to create incentives to execute strategic plans, deliver excellent operating results and to align incentives with the interests of Kinnevik's shareholders. The guidelines enable Kinnevik to offer a competitive total remuneration.

The People & Remuneration Committee monitors and evaluates programmes for remuneration, both ongoing and those that have ended during the year, for the CEO, and the actual and expected outcome of such has been reported to the Board and discussed at Board meetings.

Based on the People & Remuneration Committee's evaluation of the CEO's remuneration, the Board has determined that the current remuneration structure and level of remuneration are appropriate within the relevant markets, reflect good practice, remain competitive and promote Kinnevik's business strategy, long-term interests and sustainability. Both the People & Remuneration Committee's evaluation and the Auditor's review have also concluded that Kinnevik has complied with the applicable remuneration guidelines, including the condition to re-invest a portion of variable cash remuneration in Kinnevik shares until the CEO has a shareholding in Kinnevik corresponding to his fixed annual cash salary, net after taxes, and that no derogations or deviations have been made during 2020.

Based on the conclusions drawn from monitoring and evaluating the programmes for variable remuneration and how the guidelines for remuneration have been applied, as well as the evaluation of the current remuneration structures and levels of remuneration in Kinnevik, the Board has decided that the remuneration guidelines shall remain unchanged.

Under Kinnevik's remuneration guidelines, the remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration (a portion of which is conditional upon being invested in Kinnevik shares), pension benefits and other customary benefits. Additionally, the General Meeting may resolve on, among other things, long-term incentive plans.

Total remuneration for the CEO Georgi Ganev¹

Name of Director, position	Financial year	1 Fixed remuneration		2	3	4	5	6
		Base salary	Other benefits ²	Variable remuneration - One-year variable ³	Extraordinary items	Pension expense	Total remuneration	Proportion of fixed and variable remuneration ⁴
Georgi Ganev, CEO	2020	SEK 8,000,000	SEK 159,961	SEK 8,000,000	n/a	SEK 2,400,000	SEK 18,559,961	56.9% / 43.1%

Remuneration to one Board member outside his regular Board duties

In addition to his regular duties as a Board member, Brian McBride provides advisory services in relation to Kinnevik's consumer services portfolio. For these services he is remunerated in addition to ordinary Board remuneration resolved by Kinnevik's Annual General Meeting. The consultancy fee paid by Kinnevik to Brian McBride during 2020 was SEK 800,000.

Application of performance criteria

The performance criteria for variable cash remuneration include fulfilment of the CEO's individual and Kinnevik's corporate objectives which are linked to specific performance and potential processes and transactions during the year. To increase alignment with the interests of Kinnevik's shareholders, payment of part of the variable cash remuneration is also conditional upon a portion of it being invested in Kinnevik shares. For 2020, the CEO was not required to re-invest part of his variable cash remuneration in Kinnevik shares as his current shareholding in Kinnevik exceeds his fixed annual cash salary, net after taxes. If the CEO's shareholding would not have met such threshold, he would have been required to re-invest 20% of his variable cash remuneration in Kinnevik shares.

Kinnevik have the authority, subject to the restrictions that may apply under law or contract, to in whole or in part reclaim remuneration, other than fixed cash salary, pensions and other customary benefits, paid on incorrect grounds, based on information that was manifestly misstated or in the event of material breaches of Kinnevik's Code of Conduct ("claw-back"). The People & Remuneration committee has evaluated Kinnevik's performance and the CEO's performance, as well as the Auditor's report, and has concluded that no claw-backs are to be made for 2020.

The performance criteria for variable cash compensation to the CEO for 2020 included a set of pre-defined and measurable corporate and individual targets linked to Kinnevik's strategy established by the Board in December 2019. Performance reviews of the CEO and employee satisfaction are also considered.

Kinnevik's strategy is to be a leading European growth investor through building and maintaining a dynamic portfolio of growth companies in Europe, the USA and other selected markets, that, by utilising technology, meet important needs for consumers in industries experiencing disruptive technological changes. Therefore the predefined and measurable corporate and individual targets for 2020 all relate to advancing this strategic transformation through *inter alia* achieving a 20% value appreciation in Kinnevik's portfolio of younger, more disruptive and tech-focused growth companies, dynamically reallocating capital in line with the agreed capital re-allocation plan, achieving Kinnevik's announced D&I targets, including a 40/60 gender composition in the Kinnevik management team, and establishing a clear climate strategy, including emission reduction targets, as part of Kinnevik's overall Sustainability Strategy. The relative weighting of the corporate and individual targets is 35% and 15% respectively. The remaining 50% of the CEO's potential variable cash compensation is based on the Board's view on the overall performance of the CEO, as well as annual performance reviews and employee satisfaction.

In 2020, Kinnevik achieved a value appreciation of more than 100% in its growth portfolio and, in line with the agreed capital re-allocation plan, invested in six new companies and divested its holdings in Bread, Qliro and Home24. Further, Kinnevik has made

¹ The table reports remuneration earned in 2020.

² Including company car and medical insurance (Sw. sjukvårdsförsäkring).

³ Variable salary earned 2020 and paid in 2021.

⁴ This excludes share remuneration in LTIP 2017 that vested during 2020, in which the CEO was allotted 21,900 Kinnevik Class B-shares, of which he received 10,152 shares (corresponding to SEK 2,228,544 given the average share price at grant date, SEK 212) and SEK 2,419,000 in cash (corresponding to the calculated tax cost) by a payment to the Swedish Tax Authority.

significant progress on its D&I targets by *inter alia* increasing the share of women on its management team to 43% and incorporating Kinnevik's four overarching D&I targets into Kinnevik's overall corporate objectives for 2020, thereby tying them to the remuneration of its team. In May 2020, Kinnevik announced climate targets in line with the Paris Agreement to significantly reduce the greenhouse gas emissions from Kinnevik's own operations and its portfolio and rolled-out a three-step climate strategy across its companies to reach these targets.

Based on the above described performance, the People & Remuneration Committee's assessment is that the CEO have showed strong performance and achieved all of the predefined corporate and individual targets for 2020 in full. Hence, the Board of directors awarded the CEO a variable cash remuneration for 2020 of SEK 8,000,000, of which SEK 4,000,000 relates to the fulfilment of the corporate and individual targets for 2020 and SEK 4,000,000 relates to the overall strong performance of the CEO during 2020, including the results of his annual performance review, Kinnevik's strong strategic development and value creation in 2020.

Outstanding share and share-price related incentive programmes

A prerequisite for the successful and sustainable implementation of Kinnevik's business strategy and safeguarding of its long-term interests is that Kinnevik is able to attract, motivate and retain the best talent in Sweden and globally. To achieve this, it is necessary that Kinnevik offers competitive remuneration that creates incentives to execute strategic plans and deliver excellent operating results, and to align these incentives with the interests of Kinnevik's shareholders. Over the years, Kinnevik has implemented several long-term share and share-price related incentive programmes for the employees. The share incentive plans are resolved upon by the General Meeting and prepared by Kinnevik's People & Remuneration Committee in consultation with major shareholders and external advisors.

From 2018, when Kinnevik introduced a new model for the share incentive plans for all employees in Kinnevik, the terms have been in substance the same, with simplifications made based on conclusions from monitoring the ongoing plans and adjustments of the performance conditions to reflect Kinnevik's portfolio evolution and its growth-focused investment strategy.

During 2020, Kinnevik had three ongoing share incentive plans (2018, 2019 and 2020, together the "LTIPs"). The LTIPs are based on a structure where the participants subscribe for or acquire incentive shares, divided into separate classes each with its own performance condition, which may be reclassified to Kinnevik Class B shares, subject to the fulfilment of these performance conditions and certain employment retention criteria. The three plans are ongoing, and since the performance-based conditions are measured over 3 and 5 years, a portion of the incentive shares in the 2018 plan may be reclassified during the third quarter of 2021. In addition and as a one-off, the 2017 Annual General Meeting adopted a long-term, cash-based incentive plan for Kinnevik employees that have a direct impact on, and are working almost exclusively with, the value creation in Kinnevik's private portfolio (the "VCPPI"). The VCPPI is ongoing and any payment to the participants will be made in April 2022.

Further, in February 2018, Kinnevik's largest shareholder Verdere S.à r.l. issued 200,000 call options to the CEO in order to further align his interest with Kinnevik's shareholders. Each option entitles the purchase of one (1) Kinnevik Class B share during a period of three months after a five-year period.

Additional information on outstanding share and share-price related incentive plans, including details of the CEO's participation in such and the outstanding call options issued by Verdere S.à r.l., is available in Note 16 to the 2020 Annual Report, which can be found on www.kinnevik.com under the heading "Reports and presentations" (which can be found under the section "Investors").

COMPARATIVE INFORMATION ON THE CHANGE OF REMUNERATION AND KINNEVIK'S PERFORMANCE

Remuneration and company performance⁵

Annual change	2020 vs 2019	2020
Georgi Ganev, CEO	+9% ⁶	SEK 18,559,961
Annual Total Shareholder Return	+45 pp	85%

⁵ Remuneration earned in the respective years.

⁶ Remuneration to the CEO was 9% (SEK 1,589,000) higher in 2020 than 2019.

Annual change	2020 vs 2019	2020
Leverage	from 1.3% leverage to 4.5% net cash to value	4.5% net cash to value
Shareholder Remuneration	-15% ⁷	SEK 7.00 extraordinary cash dividend per share
Average Remuneration of Employees of the company ⁸	-3%	SEK 3,178,000

ADDITIONAL INFORMATION AVAILABLE IN THE 2020 ANNUAL REPORT AND ON KINNEVIK'S WEBSITE

Kinnevik's remuneration guidelines, adopted by the Annual General Meeting 2020, can be found on pages 74-75 of the 2020 Annual Report that is available on www.kinnevik.com under the heading "Reports and presentations" (which can be found under the section "Investors") and the Auditor's report regarding whether Kinnevik has complied with the guidelines is available on www.kinnevik.com under the heading "General Meetings" (which can be found under the section "Governance").

Additional information on Kinnevik's remuneration during 2020 that is not covered by this report is available in the 2020 Annual Report, which can be found on www.kinnevik.com under the heading "Reports and presentations" (which can be found under the section "Investors"):

p. 51 - 52	Work of the People & Remuneration committee in 2020
Note 16 on p. 74-78	Information required by Chapter 5, Sections 40-44 of the Annual Accounts Act (1995:1554), including detailed information on remuneration to the other senior executives covered by the remuneration guidelines adopted at the 2020 Annual General Meeting and Kinnevik's share and share price related incentive plans, the LTIPs and VCPP
Note 16 on p. 74-78	Remuneration to the Board of directors.

⁷ In September 2019, Kinnevik amended its shareholder remuneration policy. In line with the amended shareholder remuneration policy, Kinnevik did not pay any ordinary dividend for 2020. In 2019, before adopting the amended shareholder remuneration policy, Kinnevik paid an ordinary cash dividend of SEK 8.25 per share. In 2019, Kinnevik furthermore distributed its entire shareholding in Millicom International Cellular S.A. to its shareholders, corresponding to an extraordinary value transfer of approximately SEK 60 per Kinnevik share, which is not reflected in the percentage change in the table above.

⁸ Include all employees of Kinnevik AB and its wholly-owned subsidiary Kinnevik Capital Ltd excluding the CEO.